

Council on Postsecondary Education
July 22, 2002

2002-03 Agency Spending Plan

Action: The staff recommends that the council approve the 2002-03 Agency Spending Plan in the amount of \$120,022,242.

The 2002 Kentucky General Assembly failed to reach agreement on a 2002-04 executive budget during both the Regular Session and the First Extraordinary Session. Governor Patton directed state agencies to follow the provisions contained in House Bill 1 (2002 First Extraordinary Session) and proceed with allotments based on those figures. During the week of June 23, the Governor issued Executive Order 2002-727 implementing a 2003 spending plan. The plan closely follows House Bill 1.

The proposed 2002-03 agency spending plan also is based on House Bill 1.

The 2002-03 agency spending plan is displayed in six program areas:

- Agency Operations
- Kentucky Virtual University and Kentucky Virtual Library
- Strategic Investment and Incentive Trust Funds
- Pass-Through Programs
- Incentive Funding
- Federal Programs

The 2002-03 agency spending plan is marked by limitations on funding, the transformation of some of the strategic investment and initiative trust funds to a new category called “incentive funding,” and by the reallocation of accumulated and projected interest earnings in the existing strategic investment and initiative trust funds.

Details are contained in the document entitled the 2002-03 Agency Spending Plan.

Staff preparation by
Dennis Taulbee and Ed Sergeant

**COUNCIL ON
POSTSECONDARY
EDUCATION**

**2002-03
Agency Spending Plan**

July 22, 2002



Table of Contents

2002-03 Agency Spending Plan

Section 1: Summaries

- Summary Table
- Narrative

Section 2: Agency Operations, KYVU/KYVL, and Pass-Through Programs

- Summary Tables
- Minor Object Code Detail - Agency Operations and KYVU/KYVL
- Spending Plan Reduction Reserve—Agency Operations and KYVU/KYVL

Section 3: Strategic Initiative and Investment Trust Funds

- Summary Table
- Program Tables

Section 4: Incentive Funding Programs

- Summary Table
- Program Tables

Section 5: Federal Funds

- Summary Table
- Program Tables

Section 1

Council on Postsecondary Education 2002-03 Agency Spending Plan

Agency Summary

The spending plan tables show a comparison between the 2001-02 revised budget as of March 31, 2002, and the proposed 2002-03 agency spending plan, despite the fact that comparisons between the first year of a new biennium and the second year of a previous biennium are difficult. For example, the 2001-02 column on the CPE summary table shows \$58.4 million in carry-forward of principal representing the trust fund balances that were unexpended at the end of 2000-01 and were brought forward into 2001-02. In the 2002-03 agency spending plan column no amount is shown since we do not know, at this time, the amount of the carry-forward from 2001-02 into 2002-03. The carry-forward balances from the trust funds into 2002-03 will be presented in the first quarter financial report that will be available October 2002.

Another difficulty in comparisons across biennia occurs with the general fund appropriation. While the total general fund allocation for 2002-03 decreased by 19 percent when compared to 2001-02, many of the 2000-02 appropriations were moved to the program bases of the institutions and therefore do not show up as a trust fund allocation for 2002-03. The program summary and program tables reveal better detail about how program funding compares from one year to another.

The state's financial situation has not improved in recent months. There is a prospect of additional cuts in 2002-03. Therefore, we propose that the agency operations and KYVU/KYVL programs carry a three percent spending plan reduction reserve in anticipation of a 2002-03 cut. The details supporting those reductions are displayed in the program tables.

The executive branch 2002-03 spending plan includes \$5,060,400 in reallocated interest earnings from the strategic investment and incentive trust funds. The allocation of those reserves is displayed in the pass-through program table and the science and technology incentive funding program table.

**Council on Postsecondary Education
CPE Summary
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	58,362,991	0	-100.00%
Interest Earnings			
1998-2000	6,574,339	0	-100.00%
2000-02	4,743,955	287,990	-93.93%
Current Appropriation	133,220,800	107,834,300	-19.06%
Current Year Interest Earnings	2,802,693	205,000	-92.69%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	205,704,778	108,327,290	-47.34%
Agency Receipts			
Carry-Forward	126,400	0	-100.00%
Current Receipts	7,472,800	7,505,400	0.44%
Sub Total Agency Receipts	7,599,200	7,505,400	-1.23%
Federal Funds			
Carry-Forward	0	447,200	0.00%
Current Receipts	5,031,700	2,739,017	-45.56%
Sub Total Federal Funds	5,031,700	3,186,217	-36.68%
TOTAL REVENUES	218,335,678	119,018,907	-45.49%
Expenditures by Major Object			
Personal Services	5,758,400	5,816,400	1.01%
Operating Expenses	5,081,400	3,505,300	-31.02%
Grants, Loans, Benefits	207,347,878	109,309,407	-47.28%
Capital Expenses	148,000	126,000	-14.86%
Budget Reduction Reserve	0	261,800	
Total Expenditures by Major Object	218,335,678	119,018,907	-45.49%
Expenditures by Program			
Agency Operations	4,313,200	4,141,800	-3.97%
KYVU/KYVL	6,901,000	5,382,000	-22.01%
Pass Through Funds	15,317,200	11,618,200	-24.15%
Strategic Trust Funds	186,772,578	71,889,290	-61.51%
Incentive Funding Programs	0	22,539,600	
Federal Programs	5,031,700	3,186,217	-36.68%
Budget Reduction Reserve	0	261,800	
Total Expenditures by Program	218,335,678	119,018,907	-45.49%

Section 2

Council on Postsecondary Education 2002-03 Agency Spending Plan

Agency Operations

The general fund allocation for 2002-03 decreased by 1.2 percent when compared to 2001-02 due to the methodology employed by the state in calculating continuation costs for 2002-04. Funding for vacant positions was removed from the spending plan and a 2.7 percent salary increase was calculated on the reduced general fund base. The agency personnel complement was not reduced—the council has 43 full-time and three part-time positions.

The council anticipates receiving \$200,000 in 2002-03 in indirect cost recovery as a result of the GEAR UP Kentucky federal grant program. A portion of salary costs, rent, network, and other overhead costs are assigned to the indirect cost recovery in support of GEAR UP Kentucky.

The Agency Operations spending plan contains a 3.0 percent spending plan reduction reserve (\$121,900) in anticipation of a future 2002-03 cut. The detail is provided as a separate table. The spending plan reduction reserve includes freezing a Secretary III vacant position. The position will be held open until we know whether an expenditure reduction will be imposed. As can be seen in the attached table, reductions in postage, printing, cellular telephone charges, information systems (technology-related charges), office supplies, travel, and food products are identified for reduction. Travel would be reduced by 50 percent—this is in addition to the 43 percent reduction in travel imposed in 2001-02. Some travel expenses would temporarily be shifted to indirect cost recovery funds to allow essential travel to continue. In future biennia we will ask for restoration of the travel funds; if that does not occur, permanent reductions will be implemented.

**Council on Postsecondary Education
Agency Operations
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	4,113,200	4,063,700	-1.20%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	4,113,200	4,063,700	-1.20%
Agency Receipts			
Carry-Forward	100,800	0	
Current Receipts	99,200	200,000	
Sub Total Agency Receipts	200,000	200,000	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	4,313,200	4,263,700	-1.15%
Expenditures by Major Object			
Personal Services	3,420,300	3,370,500	-1.46%
Operating Expenses	805,900	706,300	-12.36%
Grants, Loans, Benefits	0	0	0.00%
Capital Expenses	87,000	65,000	-25.29%
Budget Reduction Reserve	0	121,900	0.00%
Total Expenditures by Major Object	4,313,200	4,263,700	-1.15%
Expenditures by Program			
Agency Operations	4,313,200	4,141,800	-3.97%
Budget Reduction Reserve	0	121,900	0.00%
Total Expenditures by Program	4,313,200	4,263,700	-1.15%

Council on Postsecondary Education
Agency Operations
2002-03 Agency Spending Plan -- Detail

	Minor Object Codes	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
	Personnel			
111	Regular Salaries and Wages	2,675,616	2,646,650	
114	Per Diem	18,000	24,575	
115	Overtime	5,000	2,000	
181	OMI-Lump Sum Payments	0	0	
119	Comp Time (block 50 payments)	<u>9,000</u>	<u>2,000</u>	
110	SALARIES TOTAL	2,707,616	2,675,225	-1.20%
121	Employer's FICA	190,516	186,442	
122	Employer's Retirement	229,831	223,968	
123	Employer's Health Insurance	123,734	118,508	
124	Employer Life Insurance	1,500	1,200	
127	TIAA-CREF Disability Coverage	<u>5,000</u>	<u>6,000</u>	
120	FRINGE BENEFITS TOTAL	550,581	536,118	-2.63%
131	Workers' Compensation	4,000	6,907	
132	Unemployment Compensation	0	0	
133	Employee Training	7,000	12,000	
138	Automobile Liability Insurance	<u>700</u>	<u>700</u>	
130	OTHER PERSONNEL COSTS TOTAL	11,700	19,607	67.58%
141	Legal Services	1,000	0	
146	Consulting Services	128,403	117,600	
191	Temporary Manpower Services	0	0	
150	Miscellaneous Serv - 1099 Report	0	0	
140	PROF. CONTACTS TOTAL	129,403	117,600	-9.12%
152	Court Reporters	0	0	
162	Security Guard Services	4,000	4,000	
163	Janitorial Services	12,000	13,950	
164	Honoraria	<u>5,000</u>	<u>4,000</u>	
160	OTHER TOTAL	21,000	21,950	4.52%
100	PERSONNEL SERVICES TOTAL	3,420,300	3,370,500	-1.46%
	Operating			
212	Electricity	<u>19,000</u>	<u>19,000</u>	
210	UTILITIES TOTAL	19,000	19,000	0.00%
221	Rental - non-state owned buildings	192,900	202,900	
223	Rental of Equipment	11,000	9,000	
224	Copy Machine Rental	32,300	30,000	
226	Carpool Rental	7,500	4,200	

	Minor Object Codes	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
361	In-state Travel	22,200	15,000	
362	Out-of-state Travel	22,000	14,000	
363	Travel for Non-state Employees	12,400	7,500	
560	Commercial Airfare	0	0	
562	General Travel	0	0	
563	General Lodging	0	0	
565	Per Diem Expense	0	0	
566	Personally Owned Vehicles	0	0	
571	Transportation Expense	0	0	
360	TRAVEL TOTAL	56,600	36,500	-35.51%
381	Dues/Subscriptions	27,000	29,000	
381	ECS Annual Dues	61,200	65,000	
399	Other (Food Products)	<u>15,000</u>	<u>5,000</u>	
370	MISCELLANEOUS EXPENSES TOTAL	103,200	99,000	-4.07%
300	TOTAL OPERATING EXPENSES	805,900	706,300	-12.36%
	Grants			
400	TOTAL GRANTS	0	0	
	Capital Outlay			
601	Furniture, Equipment over \$5000	0	0	
611	Lease Purchase	0	0	
622	Office Automation Equipment	87,000	65,000	
631	Capital Purchases	0	0	
600	TOTAL CAPITAL OUTLAY	87,000	65,000	-25.29%
	TOTAL	4,313,200	4,141,800	-3.97%
	Budget Reduction Reserve	0	121,900	
	GRAND TOTAL	4,313,200	4,263,700	-1.15%

Council on Postsecondary Education
Agency Operations -- General Fund Only
2002-03 Spending Plan Reduction Reserve -- 3.0%

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$121,900	Revised Spending Plan
	Personnel			
111	Regular Salaries and Wages	2,655,731	26,900	2,628,831
114	Per Diem	24,575	0	24,575
115	Overtime	2,000	0	2,000
181	OMI-Lump Sum Payments	0	0	0
119	Comp Time (block 50 payments)	<u>2,000</u>	<u>0</u>	<u>2,000</u>
110	SALARIES TOTAL	2,684,306	26,900	2,657,406
121	Employer's FICA	187,139	2,060	185,079
122	Employer's Retirement	224,508	1,590	222,918
123	Employer's Health Insurance	120,490	3,050	117,440
124	Employer Life Insurance	1,200	0	1,200
127	TIAA-CREF Disability Coverage	<u>6,000</u>	<u>0</u>	<u>6,000</u>
120	FRINGE BENEFITS TOTAL	539,337	6,700	532,637
131	Workers' Compensation	6,907	0	6,907
132	Unemployment Compensation	0	0	0
133	Employee Training	12,000	0	12,000
138	Automobile Liability Insurance	<u>700</u>	<u>0</u>	<u>700</u>
130	OTHER PERSONNEL COSTS TOTAL	19,607	0	19,607
141	Legal Services	0	0	0
146	Consulting Services	44,000	0	44,000
191	Temporary Manpower Services	0	0	0
150	Miscellaneous Serv - 1099 Report	<u>0</u>	<u>0</u>	<u>0</u>
140	PROF. CONTACTS TOTAL	44,000	0	44,000
152	Court Reporters	0	0	0
162	Security Guard Services	4,000	0	4,000
163	Janitorial Services	13,950	0	13,950
164	Honoraria	<u>4,000</u>	<u>0</u>	<u>4,000</u>
160	OTHER TOTAL	21,950	0	21,950
100	PERSONNEL SERVICES TOTAL	3,309,200	33,600	3,275,600
	Operating			
212	Electricity	<u>19,000</u>	<u>0</u>	<u>19,000</u>
210	UTILITIES TOTAL	19,000	0	19,000
221	Rental - non-state owned buildings	183,800	13,500	170,300
223	Rental of Equipment	9,000	0	9,000
224	Copy Machine Rental	30,000	0	30,000
226	Carpool Rental	4,800	600	4,200
227	State-Owned Aircraft	<u>0</u>	<u>0</u>	<u>0</u>
220	RENTAL TOTALS	227,600	14,100	213,500

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$121,900	Revised Spending Plan
231	Maintenance of Buildings	2,000	0	2,000
232	Maintenance of Equipment	2,000	0	2,000
233	Copy Machine Maintenance	0	0	0
234	Computer Maintenance	4,500	0	4,500
235	Maintenance of Vehicles	<u>500</u>	<u>0</u>	<u>500</u>
230	MAINTENANCE & REPAIRS TOTAL	9,000	0	9,000
241	Postage and Postage Meters	19,000	2,000	17,000
242	Freight	0	0	0
243	Other Parcel Delivery	<u>5,000</u>	<u>0</u>	<u>5,000</u>
240	POSTAGE & RELATED SERV. TOTAL	24,000	2,000	22,000
251&252	Printing	28,000	10,000	18,000
254	Insurance Premium	1,500	0	1,500
255	Advertising	2,000	0	2,000
256	Garbage Collection	1,000	0	1,000
257	Services not otherwise classified	7,000	0	7,000
259	Expenses related to shows & fairs	<u>3,000</u>	<u>0</u>	<u>3,000</u>
250	MISCELLANEOUS SERVICES TOTAL	42,500	10,000	32,500
262	Telephone Charges Paid to Vendor	900	0	900
263	Other Telecommunications	500	0	500
264	Cellular Telephone Charges	8,000	2,000	6,000
265	Pager Service	<u>100</u>	<u>0</u>	<u>100</u>
260	TELECOMMUNICATIONS TOTAL	9,500	2,000	7,500
271	Information Systems - Tech. Serv.	110,000	7,400	102,600
294	Computer Equipment	2,000	0	2,000
300	MARS Charges	<u>14,000</u>	<u>0</u>	<u>14,000</u>
270	COMPUTER SERVICES TOTAL	126,000	7,400	118,600
321&315	Office Supplies	43,000	8,000	35,000
323	Janitorial Supplies	5,000	0	5,000
330	Photographic Supplies	500	0	500
331	Data Processing Supplies	11,000	0	11,000
333	Motor Vehicle Supplies & Parts	500	0	500
338	Copy Machine Supplies	<u>800</u>	<u>0</u>	<u>800</u>
320	SUPPLIES TOTAL	60,800	8,000	52,800
343	Motor Fuels	1,300	0	1,300
346	Furniture, equipment under \$5000	0	0	0
351	Books	2,000	0	2,000
353	Telephone/Telecom Equip under \$5000	500	0	500
354	Computer Software	<u>2,000</u>	<u>0</u>	<u>2,000</u>
340	COMMODITIES TOTAL	5,800	0	5,800
361	In-state Travel	30,000	15,000	15,000
362	Out-of-state Travel	28,000	14,000	14,000
363	Travel for Non-state Employees	5,000	2,500	2,500
560	Commercial Airfare	0	0	0
562	General Travel	0	0	0

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$121,900	Revised Spending Plan
563	General Lodging	0	0	0
565	Per Diem Expense	0	0	0
566	Personally Owned Vehicles	0	0	0
571	Transportation Expense	<u>0</u>	<u>0</u>	<u>0</u>
360	TRAVEL TOTAL	63,000	31,500	31,500
381	Dues/Subscriptions	29,000	0	29,000
381	ECS Annual Dues	65,000	0	65,000
399	Other (Food Products)	<u>8,300</u>	<u>3,300</u>	<u>5,000</u>
370	MISCELLANEOUS EXPENSES TOTAL	102,300	3,300	99,000
300	TOTAL OPERATING EXPENSES	689,500	78,300	611,200
	Grants			
400	TOTAL GRANTS	0	0	0
	Capital Outlay			
601	Furniture, Equipment over \$5000	0	0	0
611	Lease Purchase	0	0	0
622	Office Automation Equipment	65,000	10,000	55,000
631	Capital Purchases	<u>0</u>	<u>0</u>	<u>0</u>
600	TOTAL CAPITAL OUTLAY	65,000	10,000	55,000
	GRAND TOTAL	4,063,700	121,900	3,941,800

**Council on Postsecondary Education
KYVU/KYVL
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	4,661,900	4,661,900	0.00%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	4,661,900	4,661,900	0.00%
Agency Receipts			
Carry-Forward	25,600		
Current Receipts	2,213,500	860,000	-61.15%
Sub Total Agency Receipts	2,239,100	860,000	-61.59%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	6,901,000	5,521,900	-19.98%
Expenditures by Major Object			
Personal Services	2,060,500	2,168,900	5.26%
Operating Expenses	4,142,300	2,666,900	-35.62%
Grants, Loans, Benefits	637,200	485,200	-23.85%
Capital Expenses	61,000	61,000	0.00%
Budget Reduction Reserve	0	139,900	
Total Expenditures by Major Object	6,901,000	5,521,900	-19.98%
Expenditures by Program			
KYVU/KYVL	6,901,000	5,382,000	-22.01%
Budget Reduction Reserve	0	139,900	
Total Expenditures by Program	6,901,000	5,521,900	-19.98%

**Council on Postsecondary Education
2002-03 Agency Spending Plan**

KYVU/KYVL

The KYVU/KYVL general fund allocation for 2002-03 is the same as for 2001-02. The KYVU/KYVL receive grants from the adult education and literacy incentive funding program, the Education Professional Standards Board, and the Workforce Development Cabinet to assist with distance-learning and Web-based applications. These grants are reflected in the agency receipts category.

KYVU/KYVL has 27 full-time positions.

The KYVU/KYVL spending plan contains a 3.0 percent spending plan reduction reserve (\$139,900) in anticipation of a future 2002-03 cut. The detail is provided as a separate table. The spending plan reduction reserve includes computer maintenance, advertising, library training, course management system, and travel. One vacant position is being held in reserve until we know whether an expenditure reduction will be imposed.

Council on Postsecondary Education
KYVU/KYVL
2002-03 Agency Spending Plan -- Detail

	Minor Object Codes	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
	Personnel			
111	Regular Salaries and Wages	1,464,700	1,471,999	
114	Per Diem	0	0	
115	Overtime	0	0	
181	OMI-Lump Sum Payments	0	0	
119	Comp Time (block 50 payments)	0	0	
110	SALARIES TOTAL	1,464,700	1,471,999	0.50%
121	Employer's FICA	111,600	111,853	
122	Employer's Retirement	108,900	104,590	
123	Employer's Health Insurance	81,000	82,658	
124	Employer Life Insurance	0	1,200	
127	TIAA-CREF Disability Coverage	0	4,200	
120	FRINGE BENEFITS TOTAL	301,500	304,501	1.00%
131	Workers' Compensation	1,800	1,800	
132	Unemployment Compensation	0	0	
133	Employee Training	20,000	20,000	
138	Automobile Liability Insurance	0	0	
130	OTHER PERSONNEL COSTS TOTAL	21,800	21,800	0.00%
141	Legal Services	5,000	3,000	
146	Consulting Services	244,900	350,000	
191	Temporary Manpower Services	5,000	0	
150	Miscellaneous Serv - 1099 Report	0	0	
140	PROF. CONTACTS TOTAL	254,900	353,000	38.49%
152	Court Reporters	0	0	
162	Security Guard Services	4,000	4,000	
163	Janitorial Services	8,600	8,600	
164	Honoraria	5,000	5,000	
160	OTHER TOTAL	17,600	17,600	0.00%
100	PERSONNEL SERVICES TOTAL	2,060,500	2,168,900	5.26%
	Operating			
212	Electricity	7,200	7,200	
210	UTILITIES TOTAL	7,200	7,200	0.00%
221	Rental - non-state owned buildings	52,300	55,000	
223	Rental of Equipment	2,000	2,000	
224	Copy Machine Rental	10,000	10,000	
226	Carpool Rental	1,000	1,000	

	Minor Object Codes	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
227	State-Owned Aircraft	0	0	
220	RENTAL TOTALS	65,300	68,000	4.13%
231	Maintenance of Buildings	500	500	
232	Maintenance of Equipment	1,000	1,000	
233	Copy Machine Maintenance	0	0	
234	Computer Maintenance	20,000	12,600	
235	Maintenance of Vehicles	0	0	
230	MAINTENANCE & REPAIRS TOTAL	21,500	14,100	-34.42%
241	Postage and Postage Meters	5,000	5,000	
242	Freight	0	0	
243	Other Parcel Delivery	286,000	285,000	
240	POSTAGE & RELATED SERV. TOTAL	291,000	290,000	-0.34%
251&252	Printing	21,000	20,000	
254	Insurance Premium	0	0	
255	Advertising	113,300	70,000	
256	Garbage Collection	0	0	
257	Services not otherwise classified	100	100	
259	Expenses related to shows & fairs	5,600	5,600	
250	MISCELLANEOUS SERVICES TOTAL	140,000	95,700	-31.64%
261	Telephone Charges Paid to State Agency	18,500	0	
262	Telephone Charges Paid to Vendor	300	5,000	
263	Other Telecommunications	3,500	200	
264	Cellular Telephone Charges	5,300	3,500	
265	Pager Service	0	5,300	
260	TELECOMMUNICATIONS TOTAL	27,600	14,000	-49.28%
271	Information Systems - Tech. Serv.	3,520,300	2,096,700	
294	Computer Equipment	2,200	3,000	
300	MARS Charges	0	2,000	
270	COMPUTER SERVICES TOTAL	3,522,500	2,101,700	-40.33%
321&315	Office Supplies	15,000	10,000	
323	Janitorial Supplies	500	500	
330	Photographic Supplies	1,000	1,000	
331	Data Processing Supplies	1,500	1,500	
333	Motor Vehicle Supplies & Parts	0	0	
338	Copy Machine Supplies	1,200	1,200	
320	SUPPLIES TOTAL	19,200	14,200	-26.04%
343	Motor Fuels	0	0	
346	Furniture, equipment under \$5000	5,000	3,000	
351	Books	5,000	2,000	
355	Films & Video Cassettes	0	0	
353	Telephone/Telecom Equip under \$5000	0	2,000	

	Minor Object Codes	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
354	Computer Software	7,000	18,000	
340	COMMODITIES TOTAL	17,000	25,000	47.06%
361	In-state Travel	10,000	10,000	
362	Out-of-state Travel	10,000	5,000	
363	Travel for Non-state Employees	8,000	0	
560	Commercial Airfare	0	0	
562	General Travel	0	0	
563	General Lodging	0	0	
565	Per Diem Expense	0	0	
566	Personally Owned Vehicles	0	0	
571	Transportation Expense	0	0	
360	TRAVEL TOTAL	28,000	15,000	-46.43%
381	Dues/Subscriptions	2,000	20,000	
381	ECS Annual Dues	0	0	
399	Other (Food Products)	1,000	2,000	
370	MISCELLANEOUS EXPENSES TOTAL	3,000	22,000	633.33%
300	TOTAL OPERATING EXPENSES	4,142,300	2,666,900	-35.62%
	Grants			
400	TOTAL GRANTS	637,200	485,200	-23.85%
	Capital Outlay			
601	Furniture, Equipment over \$5000	3,000	3,000	
611	Lease Purchase	0	0	
622	Office Automation Equipment	58,000	58,000	
631	Capital Purchases	0	0	
600	TOTAL CAPITAL OUTLAY	61,000	61,000	0.00%
	TOTAL	6,901,000	5,382,000	
	Budget Reduction Reserve	0	139,900	
	GRAND TOTAL	6,901,000	5,521,900	-19.98%

Council on Postsecondary Education
KYVU/KYVL -- General Fund Only
2002-03 Spending Plan Reduction Reserve -- 3.0%

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$139,900	Revised Spending Plan
	Personnel			
111	Regular Salaries and Wages	1,471,999		1,471,999
114	Per Diem	0		0
115	Overtime	0		0
181	OMI-Lump Sum Payments	0		0
119	Comp Time (block 50 payments)	0		0
110	SALARIES TOTAL	1,471,999	0	1,471,999
121	Employer's FICA	111,853		111,853
122	Employer's Retirement	104,590		104,590
123	Employer's Health Insurance	82,658		82,658
124	Employer Life Insurance	1,200		1,200
127	TIAA-CREF Disability Coverage	<u>4,200</u>		<u>4,200</u>
120	FRINGE BENEFITS TOTAL	304,501	0	304,501
131	Workers' Compensation	1,800		1,800
132	Unemployment Compensation	0		0
133	Employee Training	20,000		20,000
138	Automobile Liability Insurance	0		0
130	OTHER PERSONNEL COSTS TOTAL	21,800	0	21,800
141	Legal Services	5,000	2,000	3,000
146	Consulting Services	0		0
191	Temporary Manpower Services	0		0
150	Miscellaneous Serv - 1099 Report	0		0
140	PROF. CONTACTS TOTAL	5,000	2,000	3,000
152	Court Reporters	0		0
162	Security Guard Services	4,000		4,000
163	Janitorial Services	8,600		8,600
164	Honoraria	<u>5,000</u>		<u>5,000</u>
160	OTHER TOTAL	17,600	0	17,600
100	PERSONNEL SERVICES TOTAL	1,820,900	2,000	1,818,900
	Operating			
212	Electricity	<u>7,200</u>		<u>7,200</u>
210	UTILITIES TOTAL	7,200	0	7,200
221	Rental - non-state owned buildings	55,000		55,000
223	Rental of Equipment	2,000		2,000
224	Copy Machine Rental	10,000		10,000
226	Carpool Rental	1,000		1,000

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$139,900	Revised Spending Plan
227	State-Owned Aircraft	<u>0</u>		<u>0</u>
220	RENTAL TOTALS	68,000	0	68,000
231	Maintenance of Buildings	500		500
232	Maintenance of Equipment	1,000		1,000
233	Copy Machine Maintenance	0		0
234	Computer Maintenance	22,000	9,400	12,600
235	Maintenance of Vehicles	<u>0</u>		<u>0</u>
230	MAINTENANCE & REPAIRS TOTAL	23,500	9,400	14,100
241	Postage and Postage Meters	5,000		5,000
242	Freight	0		0
243	Other Parcel Delivery	<u>285,000</u>		<u>285,000</u>
240	POSTAGE & RELATED SERV. TOTAL	290,000	0	290,000
251&252	Printing	20,000		20,000
254	Insurance Premium	0		0
255	Advertising	100,000	30,000	70,000
256	Garbage Collection	0		0
257	Services not otherwise classified	100		100
259	Expenses related to shows & fairs	<u>5,600</u>		<u>5,600</u>
250	MISCELLANEOUS SERVICES TOTAL	125,700	30,000	95,700
262	Telephone Charges Paid to Vendor	5,000		5,000
263	Other Telecommunications	200		200
264	Cellular Telephone Charges	3,500		3,500
265	Pager Service	<u>5,300</u>		<u>5,300</u>
260	TELECOMMUNICATIONS TOTAL	14,000	0	14,000
271	Information Systems - Tech. Serv.	1,660,200	73,500	1,586,700
294	Computer Equipment	3,000		3,000
300	MARS Charges	<u>2,000</u>		<u>2,000</u>
270	COMPUTER SERVICES TOTAL	1,665,200	73,500	1,591,700
321&315	Office Supplies	10,000		10,000
323	Janitorial Supplies	500		500
330	Photographic Supplies	1,000		1,000
331	Data Processing Supplies	1,500		1,500
333	Motor Vehicle Supplies & Parts	0		0
338	Copy Machine Supplies	<u>1,200</u>		<u>1,200</u>
320	SUPPLIES TOTAL	14,200	0	14,200
343	Motor Fuels	0		0
346	Furniture, equipment under \$5000	5,000	2,000	3,000
351	Books	5,000	3,000	2,000
353	Telephone/Telecom Equip under \$5000	2,000		2,000
354	Computer Software	<u>18,000</u>		<u>18,000</u>
340	COMMODITIES TOTAL	30,000	5,000	25,000

	Minor Object Codes	2002-03 General Fund Spending Plan	3.0% Reduction \$139,900	Revised Spending Plan
361	In-state Travel	15,000	5,000	10,000
362	Out-of-state Travel	10,000	5,000	5,000
363	Travel for Non-state Employees	5,000	5,000	0
560	Commercial Airfare	0		0
562	General Travel	0		0
563	General Lodging	0		0
565	Per Diem Expense	0		0
566	Personally Owned Vehicles	0		0
571	Transportation Expense	0		0
360	TRAVEL TOTAL	30,000	15,000	15,000
381	Dues/Subscriptions	20,000		20,000
381	ECS Annual Dues	0		0
399	Other (Food Products)	5,000	3,000	2,000
370	MISCELLANEOUS EXPENSES TOTAL	25,000	3,000	22,000
300	TOTAL OPERATING EXPENSES	2,292,800	135,900	2,156,900
Grants				
400	TOTAL GRANTS	485,200	0	485,200
Capital Outlay				
601	Furniture, Equipment over \$5000	5,000	2,000	3,000
611	Lease Purchase	0		0
622	Office Automation Equipment	58,000		58,000
631	Capital Purchases	0		0
600	TOTAL CAPITAL OUTLAY	63,000	2,000	61,000
	GRAND TOTAL	4,661,900	139,900	4,522,000

**Council on Postsecondary Education
2002-03 Agency Spending Plan**

Pass-Through Programs

The general fund allocation for 2002-03 decreased by 2.2 percent when compared to 2001-02 as a result of permanent shifts into and out of the pass-through program. EPSCoR funding of \$2,521,600 is transferred from the pass-through program to the newly created science and technology incentive funding program. In 2003-04, the executive branch budget proposal replaces the interest earnings with general fund dollars.

The contract spaces program now is funded with general fund dollars after a biennium of funding from the student financial aid and advancement trust fund.

Interest earnings from the strategic trust funds are reallocated to pass-through programs as follows:

Minority Student College Preparation Program (Expansion)	\$ 100,800
SREB Doctoral Scholars Program (Expansion)	187,000
UK—Enrollment Growth and Retention (New)	234,800
KSU I and Grant Match (New)	487,800
UofL Hospital Contract (New)	<u>50,000</u>
Total	\$1,060,400

The early math testing program is funded through an increase in the general fund allocation. All other pass-through programs received no increase in funding for 2002-03.

**Council on Postsecondary Education
Pass Through Funds
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	2,000,000	0	-100.00%
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	10,792,100	10,557,800	-2.17%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	12,792,100	10,557,800	-17.47%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	2,525,100	1,060,400	-58.01%
Sub Total Agency Receipts	2,525,100	1,060,400	-58.01%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	15,317,200	11,618,200	-24.15%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	15,317,200	11,618,200	-24.15%
Capital Expenses	0	0	
Total Expenditures by Major Object	15,317,200	11,618,200	-24.15%
Expenditures by Program			
Contract Spaces	2,525,100	2,675,300	5.95%
Metroversity Consortium	60,600	60,600	0.00%
Professional Education Prep. Program	438,600	438,600	0.00%
Telecommunication Consortium (ETV)	188,300	188,300	0.00%
Minority Student College Prep. Program			
Base	231,700	231,700	0.00%
Supplemental Funding	0	100,800	
EPSCoR	4,521,600	0	-100.00%
State Autism Training Center	229,300	229,300	0.00%
Kentucky Rural Development Center	735,000	735,000	0.00%
Early Reading Incentive Grant	4,116,000	4,116,000	0.00%
SREB Doctoral Scholars Program			
Base	68,000	68,000	0.00%
Supplemental Funding	0	187,000	
Collaborative Center for Literacy - Exp.	588,000	0	-100.00%
KY Postsecondary Ed. Network	1,615,000	1,615,000	0.00%
Early Math Testing	0	200,000	
UK -- Enrollment Growth & Retention	0	234,800	
KSU Land Grant Match	0	487,800	
UofL Hospital Contract	0	50,000	
Total Expenditures by Program	15,317,200	11,618,200	-24.15%

Section 3

Council on Postsecondary Education 2002-03 Agency Spending Plan

Strategic Investment and Incentive Trust Funds

There are six statutory strategic trust funds remaining as well as the lung cancer research trust fund:

- Research Challenge Trust Fund
- Regional University Excellence Trust Fund
- Technology Initiative Trust Fund
- Physical Facilities Trust Fund
- Postsecondary Education Workforce Development Trust Fund
- Student Financial Aid and Advancement Trust Fund

The endowment match program resides within the research challenge trust fund and the regional university excellence trust fund. Because of its size, this program is displayed as a separate trust fund. The endowment match program will not receive new funding until 2003-04.

Effective with the 2002-04 biennium, the adult education and literacy trust fund and the science and technology trust fund are being phased out and will be replaced by two incentive funding programs with the same names. The primary differences between the trust funds and the incentive funding programs are that the latter do not earn interest, and the balances of incentive funding programs do not automatically carry-forward like trust fund balances. The adult education and literacy trust fund and the science and technology trust fund will continue to be displayed both as both strategic trust funds and incentive funding programs until 2000-02 funds in the strategic trust funds are completely dispersed.

As can be seen in the attached tables, general fund allocations are made to the lung cancer research trust fund (\$6,280,000), the technology initiative trust fund (\$1,300,000) for network support and faculty development, and the student financial aid and advancement trust fund (\$63,181,300) for the KEES program. The student financial aid and advancement trust fund total includes \$750,000 in interest earned by that trust fund.

The physical facilities trust fund will not receive an allocation for 2002-03. Funds for the capital projects bond pool are scheduled for 2003-04.

**Council on Postsecondary Education
Strategic Trust Funds--Summary
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	56,362,991	0	-100.00%
Interest Earnings			
1998-2000	6,574,339	0	-100.00%
2000-02	4,743,955	287,990	-93.93%
Current Appropriation	113,653,600	70,011,300	-38.40%
Current Year Interest Earnings	2,802,693	205,000	-92.60%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	184,137,578	70,504,290	-61.71%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	2,635,000	1,385,000	-47.44%
Sub Total Agency Receipts	2,635,000	1,385,000	-47.44%
Federal Funds			
Carry-Forward	0	0	0.00%
Current Receipts	0	0	0.00%
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	186,772,578	71,889,290	-61.51%
Expenditures by Major Object			
Personal Services	0	0	0.00%
Operating Expenses	0	0	0.00%
Grants, Loans, Benefits	186,772,578	71,889,290	-61.51%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	186,772,578	71,889,290	-61.51%
Expenditures by Program			
Endowment Match Program	48,362,612	0	-100.00%
Research Challenge Trust Fund	1,982,153	0	-100.00%
Lung Cancer Research	11,254,158	6,280,000	-44.20%
Regional Univ. Excellence Trust Fund	14,129,386	0	-100.00%
Technology Initiative Trust Fund	13,504,979	2,427,990	-82.02%
Physical Facilities Trust Fund	20,900,000	0	100.00%
Postsecondary Workforce Dev. TF	9,914,190	0	-100.00%
Student Financial Aid & Advancement TF	43,070,349	63,181,300	46.69%
Adult Education & Literacy Trust Fund	18,078,145	0	-100.00%
Science and Technology Trust Fund	5,576,606	0	-100.00%
Total Expenditures by Program	186,772,578	71,889,290	-61.51%

**Council on Postsecondary Education
Endowment Match Program
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	38,366,851	0	
Interest Earnings			
1998-2000	4,228,839	0	
2000-02	3,721,309	0	
Current Appropriation	0	0	0.00%
Current Year Interest Earnings	2,045,612	0	-100.00%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	48,362,612	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	48,362,612	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	48,362,612	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	48,362,612	0	-100.00%
Expenditures by Program			
Eastern Kentucky University	2,964,215	0	-100.00%
Kentucky State University	2,426,662	0	-100.00%
Morehead State University	2,157,844	0	-100.00%
Murray State University	1,699,500	0	-100.00%
Northern Kentucky University	895,644	0	-100.00%
Western Kentucky University	59,775	0	-100.00%
Subtotal	10,203,640	0	-100.00%
University of Kentucky	18,441,765	0	-100.00%
University of Louisville	19,717,207	0	-100.00%
Subtotal	38,158,972	0	-100.00%
Total Expenditures by Program	48,362,612	0	-100.00%

**Council on Postsecondary Education
Research Challenge Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	339,511	0	
2000-02	12,786	0	
Current Appropriation	1,617,000	0	-100.00%
Current Year Interest Earnings	12,856	0	
Surplus Expenditure Plan		0	
Sub Total General Fund	1,982,153	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	1,982,153	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	0.00%
Operating Expenses	0	0	0.00%
Grants, Loans, Benefits	1,982,153	0	-100.00%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	1,982,153	0	-100.00%
Expenditures by Program			
Enrollment Growth & Retention			
University of Kentucky	809,480	0	-100.00%
Lexington Community College	308,896	0	-100.00%
University of Louisville	498,624	0	-100.00%
Subtotal	1,617,000	0	-100.00%
Research Challenge			
University of Kentucky	242,038	0	-100.00%
University of Louisville	123,115	0	-100.00%
Subtotal	365,153	0	-100.00%
Total Expenditures by Program	1,982,153	0	-100.00%

**Council on Postsecondary Education
Lung Cancer Research
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	5,055,000	0	
Interest Earnings			
1998-2000	0	0	
2000-02	16,069	0	
Current Appropriation	6,080,000	6,280,000	3.29%
Current Year Interest Earnings	103,089	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	11,254,158	6,280,000	-44.20%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	11,254,158	6,280,000	-44.20%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	11,254,158	6,280,000	-44.20%
Capital Expenses	0	0	
Total Expenditures by Major Object	11,254,158	6,280,000	-44.20%
Expenditures by Program			
Lung Cancer Research	11,254,158	6,280,000	-44.20%
Total Expenditures by Program	11,254,158	6,280,000	-44.20%

**Council on Postsecondary Education
Regional University Excellence Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	807,300	0	
Interest Earnings			
1998-2000	582,469	0	
2000-02	85,409	0	
Current Appropriation	12,593,000	0	
Current Year Interest Earnings	61,208	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	14,129,386	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	14,129,386	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	14,129,386	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	14,129,386	0	-100.00%
Expenditures by Program			
Enrollment Growth & Retention			
Eastern Kentucky University	740,390	0	-100.00%
Kentucky State University	318,402	0	-100.00%
Morehead State University	314,090	0	-100.00%
Murray State University	342,020	0	-100.00%
Northern Kentucky University	427,868	0	-100.00%
Western Kentucky University	<u>663,500</u>	<u>0</u>	-100.00%
Subtotal	2,806,270	0	-100.00%
Programs of Distinction			
Eastern Kentucky University	257,000		
Kentucky State University	177,300		
Morehead State University	0		
Murray State University	0		
Northern Kentucky University	0		

**Council on Postsecondary Education
Regional University Excellence Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02		2002-03 Agency Spending Plan	Percent Change
Western Kentucky University	<u>373,000</u>			
Subtotal	807,300		0	
Interest Earnings				
Eastern Kentucky University	131,780			
Kentucky State University	102,703			
Morehead State University	93,964			
Murray State University	65,161			
Northern Kentucky University	85,804			
Western Kentucky University	<u>249,674</u>			
Subtotal	729,086		0	
Action Agenda				
Eastern Kentucky University	2,384,340		0	-100.00%
Kentucky State University	717,360		0	-100.00%
Morehead State University	1,406,300		0	-100.00%
Murray State University	1,625,820		0	-100.00%
Northern Kentucky University	1,385,720		0	-100.00%
Western Kentucky University	<u>2,267,190</u>		0	-100.00%
Subtotal	9,786,730		0	-100.00%
Total Expenditures by Program	14,129,386		0	-100.00%

**Council on Postsecondary Education
Technology Initiative Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	4,378,167	0	-100.00%
Interest Earnings			
1998-2000	462,586	0	-100.00%
2000-02	375,134	287,990	-23.23%
Current Appropriation	5,956,000	1,300,000	-78.17%
Current Year Interest Earnings	198,093	205,000	3.49%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	11,369,979	1,792,990	-84.23%
Agency Receipts			
Carry-Forward	0	0	100.00%
Current Receipts	2,135,000	635,000	-70.26%
Sub Total Agency Receipts	2,135,000	635,000	-70.26%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	13,504,979	2,427,990	-82.02%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	13,504,979	2,427,990	-82.02%
Capital Expenses	0	0	
Total Expenditures by Major Object	13,504,979	2,427,990	-82.02%
Expenditures by Program			
Previous 2000-02 Allocations	4,625,294	0	-100.00%
Equipment Replacement -- DS	3,800,000	0	-100.00%
KY Information Highway	1,168,545	1,200,000	2.69%
Public Communications Campaign	1,500,000	0	-100.00%
Faculty Development	1,000,000	100,000	-90.00%
Public Health Initiative	25,000	0	-100.00%
BIO Conference	10,000	10,000	0.00%
Institute for Effective Governance	23,200	32,000	37.93%
Consulting Services	61,615	0	-100.00%
KSU Self Study	0	100,000	
Public Communications Campaign - Reserve	0	800,000	100.00%
Unallocated Funds	0	185,990	100.00%
Total Expenditures by Program	12,213,654	2,427,990	-80.12%
Carry-forward	1,291,325	0	
Total Budgeted Funds	13,504,979	2,427,990	-82.02%

**Council on Postsecondary Education
Physical Facilities Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	20,900,000	0	-100.00%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	20,900,000	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	
Federal Funds			
Carry Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	
TOTAL REVENUES	20,900,000	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	20,900,000	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	20,900,000	0	-100.00%
Expenditures by Program			
Capital Renewal/Maintenance -- DS	3,018,000	0	-100.00%
Renovation, Replace. & Infrastructure	10,436,000	0	-100.00%
New Construction -- DS	7,446,000	0	-100.00%
Total Expenditures by Program	20,900,000	0	-100.00%

**Council on Postsecondary Education
Postsecondary Workforce Development Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0		
Interest Earnings			
1998-2000	460,529		
2000-02	101,665		
Current Appropriation	9,310,000	0	-100.00%
Current Year Interest Earnings	41,996	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	9,914,190	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	9,914,190	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	9,914,190	0	-100.00%
Capital Expenses			
Total Expenditures by Major Object	9,914,190	0	-100.00%
Expenditures by Program			
KCTCS			
Enrollment Growth & Retention	3,430,000	0	-100.00%
Workforce Training	5,880,000	0	-100.00%
Interest Earnings	604,190	0	-100.00%
Total Expenditures by Program	9,914,190	0	-100.00%

**Council on Postsecondary Education
Student Financial Aid & Advancement Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	809,600		
Interest Earnings			
1008 2000	500,405		
2000-02	184,604		
Current Appropriation	41,500,000	62,431,300	50.44%
Current Year Interest Earnings	75,740	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	43,070,349	62,431,300	44.95%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	750,000	
Sub Total Agency Receipts	0	750,000	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	43,070,349	63,181,300	46.69%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	43,070,349	63,181,300	46.69%
Capital Expenses	0	0	
Total Expenditures by Major Object	43,070,349	63,181,300	46.69%
Expenditures by Program			
KEES Program	28,556,900	63,181,300	121.25%
KEES Reserve	8,515,449	0	-100.00%
Contract Spaces	2,525,100	0	-100.00%
National Guard	1,972,900	0	-100.00%
Public Communications Campaign	1,500,000	0	100.00%
Total Expenditures by Program	43,070,349	63,181,300	46.69%

**Council on Postsecondary Education
Adult Education and Literacy Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	6,084,573		
Interest Earnings			
1998-2000	0		
2000-02	233,051		
Current Appropriation	11,532,600	0	-100.00%
Current Year Interest Earnings	227,921	0	-100.00%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	18,078,145	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	18,078,145	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	18,078,145	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	18,078,145	0	-100.00%
Expenditures by Program			
Adult Education & Literacy Trust Fund	18,078,145	0	-100.00%
Total Expenditures by Program	18,078,145	0	-100.00%

**Council on Postsecondary Education
Science and Technology Trust Fund
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	861,500		
Interest Earnings			
1998-2000	0		
2000-02	13,928		
Current Appropriation	4,165,000	0	-100.00%
Current Year Interest Earnings	36,178	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	5,076,606	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	500,000	0	
Sub Total Agency Receipts	500,000	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	5,576,606	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	5,576,606	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	5,576,606	0	-100.00%
Expenditures by Program			
Rural Innovation Fund	861,500	0	
Research & Development	2,964,900	0	100.00%
Commercialization	741,250	0	100.00%
Regional Technology Service	494,150	0	100.00%
Intel Internat'l Science & Engineering Fair	500,000	0	-100.00%
2001-02 Interest Earnings	14,806	0	-100.00%
Total Expenditures by Program	5,576,606	0	-100.00%

Section 4

Council on Postsecondary Education 2002-03 Agency Spending Plan

Incentive Funding Programs (New)

Two incentive funding programs are created in the 2002-03 state spending plan: adult education and literacy and science and technology. These replace the two strategic trust funds by the same name.

The adult education and literacy incentive funding program will receive \$11,768,000, the same as the 2001-02 appropriation in the strategic trust fund.

The science and technology incentive funding program will receive \$6,771,600 for 2002-03. Of this amount, \$2,521,600 is a transfer of the EPSCoR activity from the pass-through program to the incentive funding program.

The science and technology incentive funding program will receive \$4,000,000 in interest earnings reallocated from the strategic trust funds. This amount will go to:

EPSCoR	\$2,000,000
Rural Innovation	1,000,000
Knowledge-Based Economy	<u>1,000,000</u>
Total	\$4,000,000

**Council on Postsecondary Education
Incentive Funding Programs--Summary
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	18,539,600	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	18,539,600	
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	4,000,000	
Sub Total Agency Receipts	0	4,000,000	
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	
TOTAL REVENUES	0	22,539,600	
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	0	22,539,600	
Capital Expenses	0	0	
Total Expenditures by Major Object	0	22,539,600	
Expenditures by Program			
Adult Education & Literacy	0	11,768,000	
Science & Technology	0	10,771,600	
Total Expenditures by Program	0	22,539,600	

**Council on Postsecondary Education
Adult Education & Literacy Incentive Funding Program
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	11,768,000	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	11,768,000	
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	
TOTAL REVENUES	0	11,768,000	
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	0	11,768,000	
Capital Expenses	0	0	
Total Expenditures by Major Object	0	11,768,000	
Expenditures by Program			
Public Communication Plan	0	500,000	
Economic Development & Workforce Training	0	1,000,000	
Local Needs Assessment & Community Development	0	200,000	
Professional Development	0	1,106,037	
Statewide Information Technology & Distance Learning	0	838,600	
Tuition Discounts and Employer Tax Credits	0	150,000	
Base Funding, Rewards, Audits, Research, & Family Literacy	0	7,840,000	
Unallocated	0	133,363	
Total Expenditures by Program	0	11,768,000	

**Council on Postsecondary Education
Science and Technology Incentive Funding Program
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 3/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	6,771,600	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	6,771,600	
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	4,000,000	
Sub Total Agency Receipts	0	4,000,000	
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	
TOTAL REVENUES	0	10,771,600	
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	0	10,771,600	
Capital Expenses	0	0	
Total Expenditures by Major Object	0	10,771,600	
Expenditures by Program			
Rural Innovation	0	1,000,000	
Research & Development Vouchers	0	3,000,000	
Commercialization	0	750,000	
Regional Technology Corp/ICC Satellites	0	500,000	
EPSCoR/Science & Engineering Found.			
Base	0	2,521,600	
Supplemental Funding	0	2,000,000	
Knowledge-Based Economy Academic Programs	0	1,000,000	
Total Expenditures by Program	0	10,771,600	

Section 5

Council on Postsecondary Education 2002-03 Agency Spending Plan

Federal Programs

There are two federal programs, the Eisenhower Professional Development State Grant and GEAR UP Kentucky.

Kentucky is to receive \$2.1 million for GEAR UP for each of five years. October 2002 will begin the third year of the grant. The spending plan figure listed is based on the grant year allocation plus previous year carry-forward.

**Council on Postsecondary Education
Federal Programs--Summary
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	0	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	0	0.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	447,200	0.00%
Current Receipts	5,031,700	2,739,017	-45.56%
Sub Total Federal Funds	5,031,700	3,186,217	-36.68%
TOTAL REVENUES	5,031,700	3,186,217	-36.68%
Expenditures by Major Object			
Personal Services	277,600	277,000	-0.22%
Operating Expenses	133,200	132,100	-0.83%
Grants, Loans, Benefits	4,620,900	2,777,117	-39.90%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	5,031,700	3,186,217	-36.68%
Expenditures by Program			
Eisenhower Professional Development	1,100,000	1,042,500	-5.23%
GEAR UP Kentucky	3,931,700	2,143,717	-45.48%
Total Expenditures by Program	5,031,700	3,186,217	-36.68%

**Council on Postsecondary Education
Eisenhower Professional Development Grant
2002-03 Agency Spending Plan**

Category	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	0	
Current Year Interest Earnings	0		
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	0	0.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	364,700	
Current Receipts	1,100,000	677,800	-38.38%
Sub Total Federal Funds	1,100,000	1,042,500	-5.23%
TOTAL REVENUES	1,100,000	1,042,500	-5.23%
Expenditures by Major Object			
Personal Services	34,000	29,100	
Operating Expenses	13,500	12,400	
Grants, Loans, Benefits	1,052,500	1,001,000	-4.89%
Capital Expenses	0	0	100.00%
Total Expenditures by Major Object	1,100,000	1,042,500	-5.23%
Expenditures by Program			
Administration	47,500	41,500	-12.63%
Professional Development Grants	1,052,500	1,001,000	
Total Expenditures by Program	1,100,000	1,042,500	-5.23%

Council on Postsecondary Education
Kentucky GEAR UP Program
2002-03 Agency Spending Plan

Category	2001-02 Revised Budget 03/31/02	2002-03 Agency Spending Plan	Percent Change
REVENUES			
General Fund			
Carry-Forward			
Principal	0	0	
Interest Earnings			
1998-2000	0	0	
2000-02	0	0	
Current Appropriation	0	0	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	0	0.00%
Agency Receipts	0	0	
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	82,500	
Current Receipts	3,931,700	2,061,217	-47.57%
Sub Total Federal Funds	3,931,700	2,143,717	-45.48%
TOTAL REVENUES	3,931,700	2,143,717	-45.48%
Expenditures by Major Object			
Personal Services	243,600	247,900	1.77%
Operating Expenses	119,700	119,700	0.00%
Grants, Loans, Benefits	3,568,400	1,776,117	-50.23%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	3,931,700	2,143,717	-45.48%
Expenditures by Program			
GEAR UP Kentucky	3,931,700		
Administration & Support		225,817	
Consulting Services		360,000	
Grants to Coordinating Institutions			
Area 1		273,147	
Area 2		263,816	
Area 3		308,327	
Area 4		325,789	
Prichard Committee		270,000	
Indirect Cost		116,821	
Total Expenditures by Program	3,931,700	2,143,717	-45.48%